



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA ELECTRONIC AND FIRST CLASS MAIL

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JUN - 6 2017

RE: MUR 7227
(formerly Pre-MUR 589)


Dear Mr. Frulla:

On June 1, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients United Brotherhood of Carpenters, Southwest Regional Council of Carpenters, Carpenters Legislative Improvement Committee United Brotherhood of Carpenters and Joiners and Andris Silins in his official capacity as treasurer, Southwest Regional Council of Carpenters Legislative Improvement Committee United Brotherhood of Carpenters & Joiners of America and Randy Thornhill in his official capacity as treasurer, Carpenters Southwest Administrative Corporation ("CSAC") and The Southwest Carpenters Vacation Trust. The agreement settles violations of 52 U.S.C. § 30116(a)(1)(C), 52 U.S.C. §§ 30104(b) and 30116(f). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016), effective September 1, 2016. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date of June 1, 2017. If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Mark Shonkwiler
Assistant General Counsel

Enclosure: Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

Carpenters Legislative Improvement
Committee United Brotherhood of
Carpenters and Joiners and Andris Silins
in his official capacity as treasurer,
Southwest Regional Council of Carpenters
Legislative Improvement Committee
United Brotherhood of Carpenters
& Joiners of America, and Randy
Thornhill in his official capacity
as treasurer,
Southwest Carpenters Vacation Trust

MUR 7227

CONCILIATION AGREEMENT

This matter was generated based on information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, *see* 52 U.S.C. § 30109(a)(2). The Commission found reason to believe that Carpenters Legislative Improvement Committee United Brotherhood of Carpenters and Joiners, and Andris Silins in his official capacity as treasurer ("CLIC"), and Southwest Regional Council of Carpenters Legislative Improvement Committee United Brotherhood of Carpenters & Joiners of America, and Randy Thornhill in his official capacity as treasurer ("SW-CLIC"), violated 52 U.S.C. §§ 30104(b), 30116(f), and the Southwest Carpenters Vacation Trust ("Trust") violated 52 U.S.C. § 30116(a)(1)(C).

NOW, THEREFORE, the Commission and CLIC, SW-CLIC, and the Trust ("Respondents"), having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. United Brotherhood of Carpenters ("UBC") is a national labor union of carpenters. CLIC is its separate segregated fund ("SSF").
2. Southwest Regional Council of Carpenters ("SWC") is the UBC regional affiliate in Southern California and parts of the Southwest. SW-CLIC is its SSF.
3. The Trust is a trust fund that was established to collect vacation pay from employers and periodically disburse it to UBC/SWC member-carpenters.
4. Carpenters Southwest Administrative Corporation ("CSAC") is a nonprofit corporation that was established to administer the Trust. CSAC receives employer contributions on the Trust's behalf, manages the Trust's day-to-day affairs, and prepares periodic vacation pay disbursements from the Trust to union member-carpenters.
5. The SSFs use a computer program called "CLIC Extract," which, for participating carpenters, automatically allocates a preset amount per hour worked on carpentry contracts included in the SSF deduction program. Twice each year, CSAC then deducts the allocated amount from the carpenters' vacation pay, remits the allocated funds as unitemized contributions to CLIC or SW-CLIC, and disburses the balance of vacation pay to the carpenters.
6. Beginning in 2008, however, a programming error caused CLIC Extract to improperly allocate contributions from carpentry contracts that were not supposed to be covered by the SSFs' contribution deduction program. CSAC then disbursed those improperly allocated

contributions from the Trust to CLIC or SW-CLIC without making corresponding deductions to the relevant carpenters' vacation pay.

7. As a result of the error, CLIC and SW-CLIC received from the Trust \$218,502.01 in improper unitemized contributions over a period of nearly eight years, while the union members who purportedly authorized those contributions still received the full vacation pay benefits to which they were entitled.

8. Under the Federal Election Campaign Act of 1971, as amended ("Act"), a contribution includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(8)(A). The Act defines "person" broadly, to include "an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons[.]" 52 U.S.C. § 30101(11).

9. At the relevant times, the Act prohibited any person from making aggregate contributions to a political committee, other than a candidate's authorized committee, in excess of \$5,000 per calendar year. 52 U.S.C. § 30116(a)(1)(C).

10. The Act also prohibits political committees from knowingly accepting excessive contributions. 52 U.S.C. § 30116(f).

11. The Act requires that committees file periodic disclosure reports with the Commission disclosing the nature and amount of all contributions that they receive. 52 U.S.C. § 30104(a), (b); *see* 11 C.F.R. § 104.3(a).

12. Because a programming error caused CLIC Extract to improperly allocate contributions from carpenters who also received the full vacation pay benefits that they were

entitled to receive, the carpenters did not “make” those contributions. Instead, the Trust, which held the funds at the time, made the contributions to CLIC and SW-CLIC.

13. During the five-year period within the statute of limitations, *see* 28 U.S.C. § 2462, the Trust made, and CLIC and SW-CLIC knowingly accepted, \$58,260.23 in excessive contributions, *i.e.*, contributions beyond the \$5,000 per calendar year that the Trust was permitted to contribute to the SSFs

14. During the five-year period within the statute of limitations, CLIC and SW-CLIC improperly reported \$7,080.54 and \$75,005.73, respectively, in unitemized contributions in their disclosure reports filed with the Commission.

15. The SSFs refunded the full amount of the improper contributions they received, \$218,502.01, to the Trust: CLIC refunded the Trust \$21,347.06 on May 19, 2016, and SW-CLIC refunded the Trust \$197,154.95 on June 3, 2016. *See* CLIC June 2016 Monthly Report at 357 (June 16, 2016); SW-CLIC Amended July 2016 Quarterly Report at 10 (Oct. 14, 2016).

16. Respondents contend that CLIC and SW-CLIC received the impermissible funds from CSAC as part of the same twice yearly transfers that included a large number of permissible unitemized contributions.

V. 1. CLIC and SW-CLIC violated 52 U.S.C. §§ 30104(b), 30116(f) by knowingly accepting excessive contributions and failing to properly report those contributions in its disclosure reports filed with the Commission.

2. The Trust violated 52 U.S.C. § 30116(a)(1)(C) by making excessive contributions to CLIC and SW-CLIC.

VI. 1. Respondents will pay a civil penalty to the Commission in the amount of sixteen thousand dollars (\$16,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. CLIC and SW-CLIC will cease and desist from committing violations of 52 U.S.C. §§ 30104(b), 30116(f).

3. The Trust will cease and desist from committing violations of 52 U.S.C. § 30116(a)(1)(C).

4. CLIC and SW-CLIC will amend the prior disclosure reports filed with the Commission on which they reported the 2016 refunds to add memo entries that accurately and fully reflect the circumstances of the receipt and refund of \$218,502.01 in unitemized contributions.

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

BY:

Kathleen M. Guith
Kathleen M. Guith
Associate General Counsel for Enforcement

6-5-17
Date

FOR THE RESPONDENTS:

David E. Frulla
David E. Frulla
Counsel for Respondents

5/5/17
Date

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